

**DEPARTMENT OF CALIFORNIA HIGHWAY PATROL**

**COMMAND AUDIT OF  
NORTH SACRAMENTO AREA**



**FINAL REPORT**

**JULY 30, 2009**

**M e m o r a n d u m**

Date: July 30, 2009

To: Office of the Commissioner  
Attention: Commissioner J. A. Farrow

From: **DEPARTMENT OF CALIFORNIA HIGHWAY PATROL**  
Office of the Assistant Commissioner, Inspector General

File No.: 005.9968.A13471.010

Subject: FINAL 2008 COMMAND AUDIT REPORT OF NORTH SACRAMENTO  
AREA

In accordance with the Institute of Internal Auditors, *International Standards for the Professional Practice of Internal Auditing* §2440, issued by the Institute of Internal Auditors, Government Code §13887 (a)(2), and the California Highway Patrol Audit Charter, I am issuing the 2008 Command Audit Report of North Sacramento Area. The audit focused on the command's cash receipts, contracts, evidence, purchasing, reimbursable service contracts, advanced payments for predetermined services, asset forfeiture, personnel files, strategic plan reporting, and fleet operations.

The audit revealed the command has adequate operations. However, some weaknesses were observed. This report presents suggestions for management to improve on some of its operations. In doing so, operations would be strengthened and the command would ensure it is operating in compliance with policies and procedures. We have included our specific findings, recommendations, and other pertinent information in the report. The North Sacramento Area agreed with some of the findings and plans to take corrective action to improve its operations. However, the North Sacramento Area disagrees with one of the findings. The Office of Inspections upon further review will maintain the finding in question and inserted an auditor comment at the end of the report. The command is now required to provide quarterly updates to the Office of Inspections on the progress of their corrective action plan implementation until the command has resolved all deficiencies. Additionally, the Office of Inspections plans on conducting a follow-up review within one year from the date of the final report.

Additionally, in accordance with the *International Standards for the Professional Practice of Internal Auditing* and Government Code §13887 (a)(2), this report, the response, and any follow-up documentation is intended for the Office of the Commissioner; Office of the Assistant Commissioner, Field; Office of the Assistant Commissioner, Inspector General; Office of Legal Affairs; Office of Inspections; Valley Division; and the North Sacramento Area. Please note this report restriction is not meant to limit distribution of the report, which is a matter of public record pursuant to Government Code §6250 et seq. Furthermore, in accordance with the

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Governor's Executive Order S-08-09 to increase government transparency, the final audit report, including the response to the draft audit report, will be posted on the CHP's internet website, and on the Office of the Governor's webpage, located on the State's Government website.

The Office of Inspections would like to thank North Sacramento Area's management and staff for their cooperation during the audit. If you need further information, please contact Assistant Chief Ken Hill at (916) 843-3005.

  
M. C. A. SANTIAGO  
Assistant Commissioner

cc: Office of the Assistant Commissioner, Field  
Office of Legal Affairs  
Valley Division  
North Sacramento Area  
Office of Inspections

*BUSINESS, TRANSPORTATION AND HOUSING AGENCY*

*DEPARTMENT OF CALIFORNIA HIGHWAY PATROL*

*COMMAND AUDIT OF NORTH SACRAMENTO AREA*

*OFFICE OF INSPECTIONS, AUDITS UNIT*

*JULY 30, 2009*

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# EXECUTIVE SUMMARY

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The Commissioner has the responsibility, by statute, to enforce laws regulating the operation of vehicles and use of highways in the State of California and to provide the highest level of safety, service, and security to the people of California. Consistent with the California Highway Patrol's (CHP) 2008 Audit Plan, the Office of the Commissioner directed the Office of Inspections, Audits Unit, to perform an audit of a command selected by each Division. Valley Division selected the North Sacramento Area.

The CHP's 2008-2009 Strategic Plan highlights the mission statement which includes five broad strategic goals designed to guide the CHP's direction. One strategic goal is to continuously look for ways to increase the efficiency and/or effectiveness of departmental operations.

The audit scope period covered the twelve months prior to the start of the audit field work. However, to provide a current evaluation of the command, primary testing was performed of business conducted during the period of January 1, 2008, through June 30, 2008.

Based on the review of the North Sacramento Area's operations, this audit revealed it has complied with most operational policies. However, some weaknesses were observed. The following is a summary of the identified weaknesses:

## **Contracts**

- The command did not always properly maintain its contract files.

## **Cash Receipts**

- The command allowed more than one person access to the transmittal funds.
- The command did not consistently perform petty cash account reviews on a quarterly basis.
- The command did not always prepare the Reimbursement of Petty Cash (CHP 264), in a timely manner.

## **Driving Under the Influence (DUI) Cost Recovery Program**

- The command does not always ensure the accuracy of their Driving Under the Influence Cost Recovery Program documents.

## **Fleet Operations**

- The command did not have adequate controls over its distribution of gasoline.
- The command did not perform a quarterly physical inventory for all vehicle parts, accessories, and fluids.
- The command did not always dispose of the accumulated vehicle junk batteries in a timely manner.
- The command's Emergency Action Plan did not contain a backup plan to obtain a ready source of fuel if its fuel dispenser becomes inoperable.
- The command's Standard Operating Procedures did not include gasoline/fuel safety guidelines.

***Auditor's note: Prior to the auditors' arrival, the command had performed a fleet operations self-inspection. The first two Fleet Operations findings listed above were identified by the command in their self-inspection.***

**Personnel Files**

- The command did not always replace employee's photograph(s) with an updated photograph every five years within their personnel file.

Please refer to the Findings and Recommendations section for detailed information.

# AUDIT REPORT

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## **INTRODUCTION**

To ensure the California Highway Patrol's (CHP) operation is efficient and/or effective and internal controls are in place and operational, the Office of the Commissioner directed the Office of Inspections, Audits Unit, to perform an audit of a command selected by each Division. Valley Division selected North Sacramento Area.

The CHP's 2008-2009 Strategic Plan highlights the mission statement which includes five broad strategic goals designed to guide the CHP's direction. One strategic goal is to continuously look for ways to increase the efficiency and/or effectiveness of departmental operations. This audit will assist the CHP in meeting its goal.

## **OBJECTIVE AND SCOPE**

The objective of the evaluation is to determine if the command has complied with operational policies and procedures that provide managers with reasonable, but not absolute, assurance departmental operations are being properly executed. The audit period was twelve months prior to the start of the audit field work. However, to provide a current evaluation of the command, primary testing was performed of business conducted during the period January 1, 2008, through June 30, 2008. This audit included the review of existing policies and procedures, as well as, examining and testing recorded transactions, to determine compliance with established policies, procedures, and good business practices. The audit field work was conducted from August 25 - 29, 2008.

## **METHODOLOGY**

Each Division commander selected one command to be audited regarding their cash receipts, contracts, evidence, purchasing, reimbursable service contracts, and advanced payments for predetermined services. Additionally, the Division commander could select any of the following topics: asset forfeiture, fleet operations, personnel records, and strategic plan reporting. The Valley Division commander selected asset forfeiture, fleet operations, personnel records, and strategic plan reporting. When preparing for the audit, and due to limited auditing resources, reimbursable service contracts was reduced to an examination of the Driving Under the Influence (DUI) Cost Recovery Program and advanced payments for predetermined services was reduced to Wide Load Services. Also, the audit of evidence was limited to guns, drugs, and money. Sample selection of areas to be audited was primarily random or judgmental. Whenever possible, the use of risk assessment was used to select a sample containing the highest probability of risk to the command. Furthermore, the auditors reviewed prior audit reports and findings.

## **OVERVIEW**

**Contracts:** Compliance over contracts could be improved. The command did not always properly maintain its contract file. The command was unable to provide the contract file for Agreement #8R250000 (original contract #0087-001/01) for review.

**X-Number Contracts:** Compliance over X-Number contracts appears adequate. Based on a review of ten randomly selected X-Number contracts, supporting documents, and analysis of the spreadsheet information, all X-Number contracts were properly documented and executed. Additionally, copies of invoices are properly maintained in the files.

**Cash Receipts:** Internal controls over cash receipts appear adequate but could be improved. It was determined that policies and procedures are in place to ensure collection and security of cash receipts; and cash receipts transactions are correctly recorded and maintained. However, the command allowed more than one person access to the transmittal funds; did not consistently perform petty cash account review on a quarterly basis; and did not always prepare the Reimbursement of Petty Cash (CHP 264) forms in a timely manner.

**DUI Cost Recovery Program:** Compliance over the DUI Cost Recovery Program could be improved. Based on a review of ten randomly selected Incident Response Reimbursement Statement (CHP 735) forms and Daily Field Record (CHP 415) forms, in eight instances, the hours claimed on the CHP 735 forms did not agree with the appropriate CHP 415 forms.

**Advance Payment for Predetermined Services:** The command does not participate in the Advance Payment for Predetermined Services Program. Therefore, this topical area was not reviewed during the audit.

**Fleet Operations:** Compliance over fleet operations appears adequate but could be improved. Policies, procedures, and operational guidelines are in place. However, the command did not have adequate controls over its distribution of gasoline; did not always perform a quarterly physical inventory for all vehicle parts, accessories, and fluids; did not dispose of the accumulated vehicle junk batteries in a timely manner; Emergency Action Plan did not contain a backup plan to obtain a ready source of fuel if its fuel dispenser becomes inoperable; and Standard Operating Procedures did not include gasoline/fuel safety guidelines.

**Personnel File:** Compliance over personnel file appears adequate but could be improved. Based on a review of five uniformed and five non-uniformed personnel files, all files contained Service Records (CHP 270) forms and the Address and Emergency Information (CHP 102) forms and were reviewed annually. However, in two instances employees' photographs were not replaced with updated photographs every five years within their personnel files.

**Evidence:** Compliance over evidence function appears adequate. Based on an interview with the Evidence Officer and review of evidence documentation, the command's secure and safe storage of evidence is in compliance with the laws, regulations, and departmental policy.

**Purchasing:** Compliance over purchasing appears adequate. Policies and procedures are in place to obtain the proper requisition, approval, and documentation for purchases of goods.

**Asset Forfeiture:** Compliance over Asset Forfeiture (AF) appears adequate. Based on an interview with the AF Officer regarding the AF processes, procedures, and questions pertaining to the AF Audit Program and reviewing AF case files and related documentation, the command complies with laws, regulation, and departmental policy. The AF documents are properly completed and authorized; the monies, securities, real property (real estate), and other property of interest pertaining to AF were properly handled and safeguarded; and the command provided training at least once a year as required by departmental policy.

**Strategic Plan Reporting:** Compliance over strategic plan reporting appears adequate. The command has developed and approved an appropriate Strategic Plan for fiscal year 2008/09. Based on a review of the Strategic Plan's first and second quarter reports for 2008, Emergency Evacuation Plan, and supporting documents, all action plans are appropriately prepared and approved by the command:

- Mass evacuation response plan has been developed.
- Information regarding the percentage of the injury/property damage only collision reports will be available to the public within eight business days.
- Quarterly meetings with Caltrans and other responders are held to review congestion caused by incidents and traffic-clearing practices.
- Annual trainings of Standard Emergency Management Systems and National Incident Management System have been conducted.
- An effective Injury and Illness Prevention Program has been written.

This audit revealed the command has adequate operations, nevertheless, weaknesses were discovered, which if left unchecked could have a future negative impact on the command and Department operations. These weaknesses should be addressed by management to maintain the command's compliance with appropriate laws, regulations, policies, and procedures. The findings and appropriate recommendations are presented in this report.

As a result of changing conditions and the degree of compliance with policies and procedures, the efficiency and effectiveness of operations change over time. Specific limitations may hinder the efficiency and effectiveness of an otherwise adequate operation include, but are not limited to, resource constraints, faulty judgments, unintentional errors, circumvention by collusion, fraud, and management overrides. Establishing compliant and safe operations and sound internal controls would prevent or reduce these limitations; moreover, an audit may not always detect these limitations.

# FINDINGS AND RECOMMENDATIONS

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## CONTRACTS

**FINDING 1:**           **The command did not always properly maintain its contract files.**

**Condition:**           Originally, the auditors believed the command had three contracts for the audit period based on information received from the Administrative Services Division. However, further examinations, based on the command's comments, revealed the command had responsibility for only one contract. During the audit, the command was unable to provide the contract file for Agreement 8R250000 (original contract #0087-001/01) for review.

**Criterion:**           Government Code (GC), Section 13403(a)(3), (4), and (6) states the elements of a satisfactory system of internal accounting and administrative control, shall include, but are not limited to, the following: A system of authorization and recordkeeping procedures adequate to provide effective accounting internal control over assets, liabilities, revenues, and expenditures; an established system of practices to be followed in performance of duties and functions in each of the state agencies; and an effective system of internal review.

Highway Patrol Manual (HPM) 11.1, Administrative Procedures Manual, Chapter 22, Service Contracts/Letters of Agreement, paragraph 16.a., Record Keeping states, "Each contract manager is responsible for maintaining all invoices, records, and relevant documentation for three years after the final payment under the contract (GC Section 8546.7)."

**Recommendation:**   The command should properly maintain its contract files.

## CASH RECEIPTS

**FINDING 1:**           **The command allowed more than one person access to the transmittal funds.**

**Condition:**           According to a command memorandum, two employees (nonuniform) have access to the transmittal funds without localizing accountability to those funds.

**Criterion:**           GC, Section 13403(a)(1), (2), (3), and (6) states the elements of a satisfactory system of internal accounting and administrative control, shall include, but are not limited to, the following: A plan of organization that provides segregation of duties appropriate for proper safeguarding of state agency assets; a plan that limits access to state agency assets to authorized

personnel who require these assets in the performance of their assigned duties; a system of authorization and recordkeeping procedures adequate to provide effective accounting internal control over assets, liabilities, revenues, and expenditures; and an effective system of internal review.

State Administrative Manual (SAM) 8021 states, "A separate series of transfer receipts will be used to localize accountability for cash or negotiable instruments to a specific employee from the time of receipt to its deposit. The series of receipts need not be press numbered."

**Recommendation:** The command should localize accountability of transmittal funds to one employee.

**FINDING 2:** **The command did not consistently perform petty cash account reviews on a quarterly basis.**

**Condition:** For the audit period, January 1, 2008 through June 30, 2008, the command should have conducted two surprise reviews of the petty cash. Based on information from the command, the first quarter review was not conducted. However, the second quarter review was conducted.

**Criteria:** HPM 11.2, Materials Management Manual, Chapter 2, Change Funds and Petty Cash, paragraph 10.a. states, "Total Funds. The total amount of cash receipts on hand, and receipt in transit must equal the total fund at all time. The commander shall designate someone to periodically audit the fund and conduct surprise audits on a quarterly basis."

**Recommendation:** The command should perform petty cash account review on a quarterly basis as required by departmental policy.

**FINDING 3:** **The command did not always prepare the Reimbursement of Petty Cash, CHP 264, in a timely manner.**

**Condition:** Based on a review of CHP 264 forms for the period of January 1, 2008 through June 30, 2008, the command submitted two CHP 264s for petty cash reimbursements. Based on a review of the documents, the command should have submitted a total of four CHP 264s to be compliant with departmental policy.

**Criteria:** HPM 11.2, Materials Management Manual, Chapter 2, Change Funds and Petty Cash, paragraph 11.a. states, "Request for Reimbursement. A list of receipts and/or STD. 439s shall be prepared in triplicate on CHP 264 at least monthly if over \$10.00, quarterly if under \$10.00, and on June 30 of each fiscal year."

**Recommendation:** The command should prepare the Reimbursement of Petty Cash, CHP 264, in a timely manner.

## **DRIVING UNDER THE INFLUENCE (DUI) COST RECOVERY PROGRAM**

**FINDING 1:**           **The command does not always ensure the accuracy of their DUI Cost Recovery Program documents.**

**Condition:**           From March 23, 2008 to June 1, 2008, the command generated thirty Incident Response Reimbursement Statements, CHP 735. The auditor reviewed ten randomly selected CHP 735 forms. Based on the review, the auditor determined the hours billed on eight of ten forms did not reconcile to the associated Daily Field Report, CHP 415 (case numbers 08931DT, 03398DT, 96297BN, 05750DT, 13585DT, 11051DT, 04413DT, and 14666DT).

**Criteria:**           HPM 11.1, Administrative Procedure Manual, Chapter 20, Driving Under the Influence (DUI) Cost Recovery Program, paragraph 4.e.(2)(c) states, "The number of staff hours charged on the CHP 735, Incident Response Reimbursement Statement, must agree with the appropriate CHP 415, Daily Field Record. Area office must be able to verify the hours claimed on the CHP 735, Incident Response Reimbursement Statement, when offenders challenge the hours billed. If an Area office cannot substantiate the hours billed, the Department cannot recover incident costs."

**Recommendation:**   The command should verify the number of staff hours claimed on the CHP 735 with the CHP 415 to substantiate the hours billed.

*Auditor's note: Prior to the auditor's departure, the command took proactive steps to resolve this issue.*

## **FLEET OPERATIONS**

*Auditor's note: Prior to auditors' arrival, the North Sacramento Area command had performed a self-inspection of fleet operations. The first two Fleet Operations findings listed below were identified by the command in their self-inspection.*

**FINDING 1:**           **The command did not have adequate controls over its distribution of gasoline.**

**Condition:**           The manual gasoline usage log was not used properly. The log was not reconciled with the gasoline pump "Register" or with the electronic system. Additionally, the log was not used to determine the gasoline usage or to conclude the gasoline dispensed was actually dispensed to state vehicles. Substantial gallons of gasoline were being dispensed daily; however, the current procedures make it difficult to specifically determine which vehicles used the dispensed gasoline.

**Criteria:**           GC, Section 13403(a)(2), (3), (4), and (6) states the elements of a satisfactory system of internal accounting and administrative control, shall include, but are not limited to, the following: A plan that limits access to

state agency assets to authorized personnel who require these assets in the performance of their assigned duties; a system of authorization and recordkeeping procedures adequate to provide effective accounting internal control over assets, liabilities, revenues, and expenditures; an established system of practices to be followed in performance of duties and functions in each of the state agencies; and an effective system of internal review.

**Recommendation:** The command should have adequate controls over its distribution of gasoline.

*Auditor's note: The command's internal corrective action plan took proactive steps to resolve this issue.*

**FINDING 2:** The command did not perform a quarterly physical inventory for all vehicle parts, accessories, and fluids.

**Condition:** Based on a review of inventory records, quarterly physical inventories were not performed for all vehicle parts, accessories, and fluids. The command utilizes the Fleet Focus System to reconcile inventory. However, a physical inventory of some regularly used vehicle parts did not agree to the numbers listed on the inventory report generated by the Fleet Focus System.

**Criterion:** GC, Section 13403(a)(3), (4), and (6) states the elements of a satisfactory system of internal accounting and administrative control, shall include, but are not limited to, the following: A system of authorization and recordkeeping procedures adequate to provide effective accounting internal control over assets, liabilities, revenues, and expenditures; an established system of practices to be followed in performance of duties and functions in each of the state agencies; and an effective system of internal review.

HPM 31.1, Fleet Operations Manual, Chapter 7, Automobile Parts and Supplies, paragraph 4.a.(2) states, "Each quarter a person designated by the commander shall physically count all parts, accessories, and fluids on hand. The person taking the inventory shall be someone other than a person who receives or dispenses items of inventory."

**Recommendation:** The command should perform a quarterly physical inventory for all vehicle parts, accessories, and fluids. The person taking the inventory shall be someone other than a person who receives or dispenses items from inventory.

*Auditor's note: The command's internal corrective action plan took proactive steps to resolve this issue.*

**FINDING 3:**           **The command did not always dispose of the accumulated vehicle junk batteries in a timely manner.**

**Condition:**           Based on an observation, the command has accumulated ten vehicle junk batteries and has not disposed of them. Departmental policy dictates a command shall not have more than five junk batteries.

**Criteria:**            HPM 31.1, Fleet Operations Manual, Chapter 7, Automobile Parts and Supplies, paragraph 5.e. states, “Batteries. Commands shall ensure that junk batteries are stored in a safe and secure manner. All efforts shall be taken so that no more than five junk batteries are accumulated. Commands shall use one of the following disposal methods which best suits their operation:

(1) Contract Disposal. The state contract for batteries allows for the following: When requested, the contractor SHALL INSTALL A NEW CONTRACT BATTERY in any state vehicle at the outlet where the request is made. They shall accept the old battery as full payment for any such installation. Commands shall review the battery contract for further instruction.

(2) Other Disposal Alternatives. If commands are unable to complete the steps identified above, the special alternatives below may be used:

(a) Contact local salvage yards or junk dealers interested in junk batteries. These types of junk/salvage dealers are listed in the yellow pages of the telephone directory. Sales revenues, if any, shall be handled in accordance with HPM 11.1, Chapter 4, Miscellaneous Sales – Transmittal of Collections.

(b) Commands unable to dispose of junk batteries shall contact FOS for assistance.”

**Recommendation:**   The command should dispose of the accumulated vehicle junk batteries in a timely manner. Measures should be implemented so no more than five vehicle junk batteries are accumulated before being disposed.

**FINDING 4:**           **The command’s Emergency Action Plan (EAP) did not have a backup plan to obtain a ready source of fuel if its fuel dispenser becomes inoperable.**

**Condition:**           The command’s EAP did not contain a backup plan to obtain a ready source of fuel for the command’s daily operation if the fuel dispenser becomes inoperable.

**Criteria:**            HPM 31.1, Fleet Operations Manual, Chapter 5, Service Station Facilities, paragraph 2.e. states, “Fuel Sources. Area commanders shall ensure there is a ready source of fuel for daily fleet operations. In the event a

command does not have a fuel dispensing system or it becomes inoperable, another source of fuel shall be identified by the Area commander. Use of the Voyager fuel credit card as a primary or alternative fuel source is not authorized. Commanders shall identify fuel sources as part of the command's Emergency Action Plan in accordance with HPM 50.1, Emergency Incident Management and Operations Manual. Business Services Section will provide assistance, upon request, in developing necessary contracts, Memorandums of Understanding or other agreements with state or allied agencies who agree to serve as a fuel source. Alternate fuel sources shall normally be limited to the following:

- (1) Adjacent CHP commands.
- (2) Other state agencies.
- (3) Local allied agencies."

**Recommendation:** The command should include in the EAP a backup plan to obtain a ready source of fuel if the fuel dispenser becomes inoperable.

**FINDING 5:**           **The command's Standard Operating Procedures (SOP) did not include gasoline/fuel safety guidelines.**

**Condition:**           No gasoline/fuel safety guidelines are included within the command's SOP.

**Criteria:**            HPM 31.1, Fleet Operations Manual, Chapter 5, Service Station Facilities, paragraph 5.a. states,

"a. Safety. The following safety guidelines shall be incorporated into a command's SOP.

- (1) No smoking or open flame within 25 feet of the service island.
- (2) When refueling, turn the engine off before removing the fuel tank filler cap.
- (3) Clean up oil spills promptly with wiping rags or paper towels and apply absorbent material.
- (4) Maintain a serviceable fire extinguisher near the service station.
- (5) Remove oily wastes, cans, rags, and trash. Store in proper containers.
- (6) Replace defective dispenser hoses promptly.
- (7) Wash gasoline or volatile solvents from skin promptly. Change clothing if necessary.
- (8) No use of a cellular telephone within 25 feet of the service island.

b. General Operations. The following special items are to be considered in the operation of the service station:

- (1) Plumbing Leaks. The gasoline dispenser, the water and air wells, and the paved areas adjacent to the service station should be inspected regularly to locate any leaks. Any discrepancies should be brought to

the immediate attention of Facilities Section. This also includes the breakaway hose/nozzle connectors now in use by the Department.

(2) Water in Fuel. Facilities Section should be notified any time water is detected in fuel storage tanks. Commands that have automated water detection systems are notified by an alarm on the detection system. Tanks not having an automated water detection system must be tested at least annually. To detect the presence of water, a thin coating of water-finding paste is applied to the bottom eight inches of one side of the dipstick, which is then lowered to the bottom of the tank. Remove the dipstick and inspect the paste smear; it will be discolored if water is present. If any water has accumulated, the tank must be pumped. Facilities Section shall be notified of this condition.

(3) Meter Verifications. Commands shall make arrangements to ensure the accuracy of the gasoline pumped annually. Commands shall contact the County Agriculture Department to have the pumps flow-tested. Counties will conduct this test at no charge to the Department as long as no certificate is obtained. There is no requirement to have a certificate/decal attached to a state-owned gasoline pump.

(4) Tank Testing. Commands with underground fuel tanks (even those with an automatic leak detection system) shall have the tanks pressure leak tested annually unless city/county regulations require testing more often. Commands needing tank testing shall coordinate with Facilities Section and utilize the "X" number procedure outlined in HPM 11.1, Administrative Procedures Manual, Chapter 23.

(5) Security. The gasoline dispenser and all lockable fill pipes shall be locked when not in actual use.

(6) Damage. In case of damage to fuel dispensers, hoses, or other support equipment, notify Facilities Section for assistance in completing the necessary repairs."

**Recommendation:** The command should include gasoline/fuel safety guidelines within their SOP to comply with departmental policies.

## **PERSONNEL FILES**

**FINDING 1:** **The command did not always replace employee's photograph with an updated photograph every five years within their employee's personnel file.**

**Condition:** The command is responsible for approximately 126 personnel files. A total of 10 personnel files were audited. Two of the 10 command personnel files reviewed did not contain a current employee photo as

required by departmental policy. However, it was determined the command reviews their personnel files annually, and maintains them well organized.

**Criteria:** HPM 10.3, Personnel Transactions Manual, Chapter 30, Personnel and Medical Files, paragraph 10.c.(2)(a)1 states, "Current photograph of employee: one affixed to the CHP 270, Service Record; one placed in a separate envelope within the folder. The photograph affixed to the CHP 270, Service Record, shall be replaced with an updated photograph every five years."

**Recommendation:** The command should replace an employee's photograph with an updated photograph every five years as required by departmental policy.

## CONCLUSION

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Based on the review of the command's operation, this audit revealed the command has adequate operations. However, some weaknesses were observed. This report presents suggestions for management to improve on some of its operations. In doing so, operations would be strengthened and the command would operate in accordance with departmental policies and procedures.

# **ANNEX**

## **A**

**M e m o r a n d u m**

Date: June 3, 2009

To: Assistant Commissioner, Inspector General

From: **DEPARTMENT OF CALIFORNIA HIGHWAY PATROL**  
Valley Division

File No.: 201.10460.15583.09-277

Subject: NORTH SACRAMENTO RESPONSE TO 2008 COMMAND AUDIT

Valley Division is forwarding the attached memorandum from North Sacramento Area, detailing their responses to findings from the Area's 2008 Command Audit. I concur with North Sacramento Area's responses and am forwarding for your review and approval.

If you have questions or need additional information, please contact me or Lt. David Qualls at (916) 464-2090.

  
M. S. CHAMPION, Acting Chief

Attachments



# **ANNEX**

## **B**

## Memorandum

Date: May 15, 2009

To: Valley Division

From: **DEPARTMENT OF CALIFORNIA HIGHWAY PATROL**  
North Sacramento Area

File No.: 250.9945.13333

Subject: 2008 DRAFT COMMAND AUDIT REPORT OF  
NORTH SACRAMENTO AREA

In accordance with the instructions provided by Assistant Commissioner, Inspector General in a memorandum dated April 23, 2009, the North Sacramento Area provides the following responses to findings from the Area's 2008 Command Audit.

### CONTRACTS

**Finding 1:** The command does not properly maintain its contract files.

**Recommendation:** The command should properly maintain its contract files.

*Response: During the audit, the Area was unable to produce the contract file for Agreement #8R250000 for the auditors' review; this was the only contract file error mentioned in the audit report. Nonetheless, Area concurs with the finding and recommendation and has already taken the necessary corrective action by reviewing its files to ensure they are now in compliance with HPM 11.1, Chapter 22.*

### CASH RECEIPTS

**Finding 1:** The command allows more than one person access to the transmittal funds.

**Recommendation:** The command should localize accountability of transmittal funds to one employee.

*Response: Area believes they are in compliance with the regulations provided by the auditors in their report. Three people technically have access to transmittal funds at some point: the Watch Officer, who acts as Area cashier; an Office Assistant specifically designated by the Commander to collect funds from the cashier at the end of each day; and the Office Technician, who is specifically tasked with preparing the weekly transmittals. In accordance with HPM 11.1, Chapter 4, paragraph 8.i., the Office*

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*Assistant verifies the change fund, logs the monies collected on her Cash Receipts Log, and deposits the daily collection in a locked cabinet used by the Office Technician. Only the Office Assistant and the Office Technician have keys and the Office Assistant does not have access to the remainder of the weekly transmittal. Each morning, the Office Technician verifies the monies received from the Office Assistant and puts it with the weekly transmittal collected to date. The chain of accountability is clear between the Watch Officer, the Office Assistant, and the Office Technician; only one person has accountability for the funds at any one time. It was noted that the Area SOP section relating to this function is somewhat vague concerning this point and this might be where the misunderstanding occurred. The SOP section will be rewritten to ensure clarification regarding accountability.*

#### **CASH RECEIPTS (continued)**

**Finding 2:** The command does not perform petty cash account reviews on a quarterly basis.

**Recommendation:** The command should perform petty cash reviews on a quarterly basis as required by departmental policy.

**Response:** Area concurs with the finding and recommendation and has already instituted documented surprise petty cash inspections each quarter.

**Finding 3:** The command does not prepare the Reimbursement of Petty Cash, CHP 264, in a timely manner.

**Recommendation:** The command should prepare the Reimbursement of Petty Cash, CHP 264, in a timely manner.

**Response:** Area concurs with the finding and recommendation and is requiring the Office Technician, who manages the petty cash fund, to prepare the Requests for reimbursement in accordance with HPM 11.2, Chapter 2. To ensure compliance, the Executive Lieutenant conducts spot inspections to ascertain petty cash fund balances.

#### **DUI COST RECOVERY PROGRAM**

**Finding 1:** The command does not maintain proper and accurate DUI Cost Recovery Program documents.

**Recommendation:** The command should verify the number of staff hours claimed on the CHP 735 with the CHP 415 to substantiate the hours billed.

Response: Area concurs with the finding and recommendation. To ensure the accuracy of the CHP 735s, a sergeant reviews the form with the rest of the supporting documents, comparing the time claimed on the CHP 735 with the CHP 415 submitted by the officer. The CHP 735 and CHP 415 is again reviewed for consistency by the Commander or Executive Lieutenant when signing the CHP 735s for transmittal.

## **FLEET OPERATIONS**

**Finding 1:** The command does not have adequate controls over its distribution of gasoline.

Recommendation: The command should have adequate controls over its distribution of gasoline.

Response: Area concurs with the finding and recommendation. At one point, the gasoline pumps were each secured with padlocks that could only be opened by a sergeant who would then ensure gasoline was logged when pumped. This proved cumbersome and Area continues to evaluate methods to improve its gasoline usage tracking. The optimum solution, although somewhat costly, is the installation of cardreaders on each pump that would allow gasoline dispensing only when a card assigned to each departmental vehicle was used. This system is in place at other Areas, notably South Sacramento, and has proved successful.

**Finding 2:** The command does not perform a quarterly physical inventory for all vehicle parts, accessories, and fluids.

Recommendation: The command should perform a quarterly physical inventory for all vehicle parts, accessories, and fluids. The person taking the inventory shall be someone other than a person who receives or dispenses items of inventory.

Response: Area concurs with the finding and recommendation. A documented quarterly inventory is now performed by the Executive Lieutenant.

**Finding 3:** The command does not dispose of the accumulated vehicle junk batteries in a timely manner.

Recommendation: The command should dispose of the accumulated vehicle junk batteries in a timely manner. Measures should be implemented so that no more than five vehicle junk batteries are accumulated before being disposed of.

*Response: Area appreciates the position of the auditors based on the statement in HPM 31.1, Chapter 7, paragraph 5.e.: "All efforts shall be taken so that no more than five junk batteries are accumulated." However, new batteries are purchased from the contract vendors in minimum lots of ten. At the time of new battery delivery, the vendor removes the junk batteries at no charge. Meanwhile, the old batteries are stored in a secure manner at Area. Therefore, the junk batteries are disposed of in a safe manner that is advantageous to the Department.*

#### **FLEET OPERATIONS (continued)**

**Finding 4:** The command's Emergency Action Plan (EAP) does not have a backup plan to obtain a ready source of fuel if its fuel dispenser becomes inoperable.

*Recommendation: The command should include in the EAP a backup plan to obtain a ready source of fuel if the fuel dispenser becomes inoperable.*

*Response: Area concurs with the finding and recommendation and will update the Area EAP advising personnel to fuel at Fleet Operations, South Sacramento, Auburn, or Woodland Areas, whichever is closest to their location, in the event the fueling system at North Sacramento Area fails.*

**Finding 5:** The command's Standard Operating Procedures (SOP) does not include gasoline/fuel safety guidelines.

*Recommendation: The command should include gasoline/fuel safety guidelines within their SOP to comply with departmental policies.*

*Response: Area concurs with this finding and recommendation. The required information will be included in the next revision to the Area SOP, which is currently actively underway.*

**PERSONNEL FILES**

**Finding 1:** The command does not replace employee's photograph with an updated photograph every five years within their employee's personnel file.

**Recommendation:** The command should replace an employee's photograph with an updated photograph every five years as required by departmental policy.

**Response:** *Area concurs with the finding and recommendation. As supervisors and management prepare annual personnel evaluations and field folder reviews, they will ensure the photographs are within the five year requirement as outlined in policy.*

The action items outlined in the responses to the auditors' findings will be monitored and modified as necessary by the Executive Lieutenant to ensure their effectiveness. Should you have any questions concerning this memorandum, please contact myself or Lieutenant Deborah Pierce at (916) 338-6710.



R. LINSON, Lieutenant  
Acting Commander

# **ANNEX**

## **C**

# COMMENTS

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To provide clarity and perspective, the number in the margin below correspond to the number placed in the North Sacramento Area's response.

During the audit, the command provided a memorandum which says in part that two clerical employees have a separate key to the transmittal funds. By allowing this practice, the command places at risk the security of the transmittal funds and does not isolate accountability. However, it was noted there was no evidence to date indicating a problem with the transmittal funds. Additionally, the command is commended for their effort to separate cash receipts duties and for identifying as well as planning to rewrite vague sections of their Standard Operating Procedures (SOP) to ensure clarification regarding accountability. The command's response does not address the issue in the report. Therefore, the finding stands and the revised SOP will be reviewed during the follow-up review.

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